

10 May 1974

Mr. Soko Furugen, Mayor  
Yomitan-son  
Okinawa Prefecture  
Japan

Dear Mayor Furugen:

This replies to your memorandum No. 8-8-20--1-2-1 of 20 August 1973 requesting payment of Municipal Resident Tax and Prefectural Resident Tax by employees of the Okinawa Bureau, FBIS/USFJ.


As you know, it was the understanding of this office that agreements between the government of Japan and the United States exempted the employees of each from taxation on a reciprocal basis. We therefore forwarded your request to Washington for a legal ruling. After consultations, our two governments have agreed that the exemption from Japanese taxation applies to American employees of FBIS/USFJ but that Third State Nationals of this office should be subject to payment of Japanese taxes.

In compliance with this agreement, we have instructed our Third State National employees to begin payment to the Yomitan Mayor's Office of municipal and prefectural taxes effective 1974.

Representatives of U.S. Forces Japan have informed the Government of Japan through the SOFA Joint Committee that Third State National employees of Okinawa Bureau, FBIS/USFJ, will have Japanese income taxes withheld from their salaries effective 12 May.

I regret the delay in responding to your request but feel sure you will understand the reasons therefor. As always, I look forward to continued close cooperation with you and your office on all matters of mutual concern.

Sincerely,

  
Chief, Okinawa Bureau, FBIS/USFJ

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